

**PUB (MPI) Pre-Ask 2**

<b>Part and Chapter:</b>		<b>Page No.:</b>	
<b>PUB Approved Issue No:</b>			
<b>Topic:</b>	<b>MPI Exhibit #37</b>		
<b>Sub Topic:</b>			

**Preamble to IR:**

**Question:**

Please provide an update to INV-2 and INV-3 consistent with the update provided in Exhibit #37.

**Rationale for Question:**

**RESPONSE:**

Please see Appendix 1, which contains a revised version of INV-2 and Appendix 2, which contains a revised version of INV-3.

**INV -2**  
**Investment Portfolio Asset Values for the Basic Line of Business**

Line No.	Reference Section #	2016/17 Actual*	2017/18 Actual*	2018/19 Actual*	2019/20 Actual*	2020/21 Actual**	2021/22 Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
1	<i>Ending Asset Values (C\$ 000,000's)</i>										
2	<b>Cash/Short Term Investments</b>	65	76	166	187	135	90	93	96	99	100
3	<b>Provincial Bonds</b>	972	984	1,111	1,199	1,230	1,327	1,345	1,419	1,511	1,620
4	<b>Corporate Bonds</b>		99	99	478	617	662	685	713	748	789
5	<b>MUSH</b>	569	527	491	520	494	483	476	467	457	446
6	<b>Private Debt</b>	0	0	0	79	115	144	203	219	238	257
7	<b>Canadian Equities</b>	282	226	267	56	110	120	127	139	152	166
8	<b>US/Global Equities</b>	138	124	133	107	146	175	179	195	211	230
9	<b>Global LV Equities</b>	0	0	0	54	82	94	97	106	116	127
10	<b>Real Estate Investments</b>	244	259	286	97	86	100	137	148	160	172
11	<b>Infrastructure &amp; Venture Capital</b>	86	87	96	77	73	76	82	88	95	102
12	<b>Total Assets</b>	<b>2,357</b>	<b>2,381</b>	<b>2,649</b>	<b>2,853</b>	<b>3,088</b>	<b>3,272</b>	<b>3,424</b>	<b>3,590</b>	<b>3,787</b>	<b>4,009</b>
13	<b>Ending Rebalanced Allocations (%)</b>										
14	<b>Cash/Short Term Investments</b>	2.8%	3.2%	6.3%	6.5%	4.4%	2.7%	2.7%	2.7%	2.6%	2.5%
15	<b>Provincial Bonds</b>	41.3%	41.3%	42.0%	42.0%	39.8%	40.6%	39.3%	39.5%	39.9%	40.4%
16	<b>Corporate Bonds</b>	0.0%	4.2%	3.7%	16.7%	20.0%	20.2%	20.0%	19.9%	19.8%	19.7%
17	<b>MUSH</b>	24.2%	22.1%	18.5%	18.2%	16.0%	14.8%	13.9%	13.0%	12.1%	11.1%
18	<b>Private Debt</b>	0.0%	0.0%	0.0%	2.8%	3.7%	4.4%	5.9%	6.1%	6.3%	6.4%
19	<b>Canadian Equities</b>	12.0%	9.5%	10.1%	2.0%	3.5%	3.7%	3.7%	3.9%	4.0%	4.1%
20	<b>US/Global Equities</b>	5.9%	5.2%	5.0%	3.7%	4.7%	5.3%	5.2%	5.4%	5.6%	5.7%
21	<b>Global LV Equities</b>	0.0%	0.0%	0.0%	1.9%	2.7%	2.9%	2.8%	3.0%	3.1%	3.2%
22	<b>Real Estate Investments</b>	10.4%	10.9%	10.8%	3.4%	2.8%	3.1%	4.0%	4.1%	4.2%	4.3%
23	<b>Infrastructure &amp; Venture Capital</b>	3.6%	3.6%	3.6%	2.7%	2.4%	2.3%	2.4%	2.4%	2.5%	2.5%
24	<b>Total Assets</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

25 \* Actual (2014/15 - 2018/19) based on long-term basic line of business allocation applied to the entire portfolio

26 \* 2019/20 and thereafter basic line of business has a segregated allocation and based on Basic Claims, RSR and pro-rata EFB asset values.

27 \*\* Investment balances reflect March 31, 2021 actuals.

**INV -3  
 Interest Rate Forecast**

Line No.	Calendar Year/ Quarter	Fiscal Year/ Quarter	91-Day T.Bill Rate 2022 Budget	GoC 10 Yr Rate 2022 Budget	Mrk. Bond Yield 2022 Budget	MUSH Yield 2022 Budget	Claims Discount Rate 2022 Budget	91-Day T.Bill Rate 2021 GKA	GoC 10 Yr Rate 2021 GKA	Mrk. Bond Yield 2021 GKA	MUSH Yield 2021 GKA	Claims Discount Rate 2021 GKA	91-Day T.Bill Rate Difference	GoC 10 Yr Rate Difference	Mrk. Bond Yield Difference	MUSH Yield Difference	Claims Discount Rate Difference
1	21:01	2021/22 Q1	0.17%	1.22%	2.19%	4.37%	2.60%	0.21%	0.70%	2.58%	4.40%	2.93%	-0.04%	0.52%	-0.39%	-0.03%	-0.33%
2	21:02	2021/22 Q2	0.17%	1.22%	2.19%	4.36%	2.76%	0.21%	0.70%	2.58%	4.39%	2.92%	-0.04%	0.52%	-0.39%	-0.03%	-0.16%
3	21:03	2021/22 Q3	0.17%	1.22%	2.19%	4.35%	2.73%	0.21%	0.70%	2.58%	4.38%	2.91%	-0.04%	0.52%	-0.39%	-0.03%	-0.18%
4	21:04	2021/22 Q4	0.17%	1.22%	2.19%	4.33%	2.72%	0.21%	0.70%	2.58%	4.37%	2.90%	-0.04%	0.52%	-0.39%	-0.03%	-0.18%
5	22:01	2022/23 Q1	0.17%	1.22%	2.17%	4.32%	2.69%	0.21%	0.70%	2.58%	4.35%	2.87%	-0.04%	0.52%	-0.41%	-0.03%	-0.18%
6	22:02	2022/23 Q2	0.17%	1.22%	2.17%	4.31%	2.68%	0.21%	0.70%	2.58%	4.34%	2.86%	-0.04%	0.52%	-0.41%	-0.03%	-0.19%
7	22:03	2022/23 Q3	0.17%	1.22%	2.17%	4.30%	2.66%	0.21%	0.70%	2.58%	4.33%	2.85%	-0.04%	0.52%	-0.41%	-0.03%	-0.19%
8	22:04	2022/23 Q4	0.17%	1.22%	2.17%	4.28%	2.65%	0.21%	0.70%	2.58%	4.31%	2.85%	-0.04%	0.52%	-0.41%	-0.03%	-0.19%
9	23:01	2023/24 Q1	0.17%	1.22%	2.17%	4.27%	2.63%	0.21%	0.70%	2.58%	4.30%	2.82%	-0.04%	0.52%	-0.41%	-0.03%	-0.19%
10	23:02	2023/24 Q2	0.17%	1.22%	2.17%	4.26%	2.62%	0.21%	0.70%	2.58%	4.29%	2.82%	-0.04%	0.52%	-0.41%	-0.03%	-0.20%
11	23:03	2023/24 Q3	0.17%	1.22%	2.17%	4.24%	2.61%	0.21%	0.70%	2.58%	4.27%	2.81%	-0.04%	0.52%	-0.41%	-0.03%	-0.20%
12	23:04	2023/24 Q4	0.17%	1.22%	2.17%	4.23%	2.59%	0.21%	0.70%	2.58%	4.26%	2.80%	-0.04%	0.52%	-0.41%	-0.03%	-0.21%
13	24:01	2024/25 Q1	0.17%	1.22%	2.17%	4.22%	2.58%	0.21%	0.70%	2.58%	4.24%	2.78%	-0.04%	0.52%	-0.41%	-0.03%	-0.20%
14	24:02	2024/25 Q2	0.17%	1.22%	2.17%	4.20%	2.57%	0.21%	0.70%	2.58%	4.23%	2.78%	-0.04%	0.52%	-0.41%	-0.03%	-0.21%
15	24:03	2024/25 Q3	0.17%	1.22%	2.17%	4.19%	2.56%	0.21%	0.70%	2.58%	4.22%	2.77%	-0.04%	0.52%	-0.41%	-0.03%	-0.21%
16	24:04	2024/25 Q4	0.17%	1.22%	2.17%	4.17%	2.55%	0.21%	0.70%	2.58%	4.20%	2.76%	-0.04%	0.52%	-0.41%	-0.03%	-0.21%

17 \* 2022 Budget is based on the August 2021 Naive Interest Rate Forecast